



**OFFICE OF THE
TOWN ADMINISTRATOR**

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Health Insurance Opt-Out Policy

The following is intended as incentive payments that benefit both the employees who elect to participate in this program as well as the Town. Participation is voluntary and subject to the terms and conditions listed below.

To be eligible to participate in this program, an employee must meet the following criteria:

- 1) The individual must be an employee who is eligible for health insurance benefits:
 - a) who was receiving or had elected health insurance benefits from the Town for the immediate prior 12 month period;
- 2) If a new employee is hired and he/she may elect to participate in the program after they have received health insurance benefits from the Town for the immediate prior 12 months;
- 3) The Town will pay an employee covered by this program no less than the following annual amounts, based on twelve (12) months of participation in the program;
 - a) Single Plan: \$1,000.00
 - b) Family Plan: \$2,000.00
- 4) Said payments will be included in an employee's regular pay check , in monthly installments, for each full month an employee does not utilize, elect, participate in, and/or have Town-provided insurance;
 - a) Payment(s) will be taxable but they are separate from wages and will not be included for the computation of wages including, but not necessarily limited to, overtime rates.
- 5) If an employee who is participating in the program returns to electing or receiving Town-provided health insurance all payments pursuant to this program will cease beginning the month before health insurance coverage becomes effective;
- 6) An employee wishing to participate in this program must submit a signed request and waiver in writing on a form provided by the Town and available from the Assistant Town Administrator;
- 7) In the event that an employee separates from service with the Town, for any reason whatsoever, he/she will be entitled to payment up to the month containing the date of the employee's separation;

- 8) An employee who participates in this program will be responsible to provide and must provide same for each year that they wish to receive payment(s) under this program;
- 9) Verification of alternative coverage from a source other than the Town of Grafton or its School Department must be provided annually to the Town during the Town's "open enrollment" period for health insurance to qualify. Failure to provide verification of alternate coverage each subsequent year will cease the opt out payment benefit;
- 10) Nothing in this Agreement is intended to reduce the previously-existing rights of employee to participate in Town-provided health insurance, to limit "qualifying events" that may occur between open enrollment periods or to reduce the rights of employee to have access to health insurance under the law; however, employees should be aware that participation in this program and receipt of any payments under this program are conditioned upon compliance with all of its terms and conditions. The effective date of the "qualifying event" is set by the Group Insurance Commission (GIC);
- 11) In no instance shall an employee receive both a payment under the program and health insurance benefits simultaneously;
- 12) The program will be in place until June 30, 2018. Continuance of the program will be contingent on a successor Public Employee Committee Agreement.